

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JANUARY 14, 2019 – 4:00 P.M.**

AGENDA

1. Call to Order/Roll Call
2. Oath of Office
3. Appointment of Officers
4. Approval of Agenda
5. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills / Purchase Orders
 - c. Approval of Investments
 - d. Pay Application #7 Final – MEI
6. Reports
7. Action Items
 - a. Designation of the following:
 - 1) Grievance Representative
 - 2) Ad Hoc Labor and Personnel Committee Representative
 - b. Amendment to Agreement – DGR
 - c. Smart Grid Technology MDM / Resolution No. UC 2019-1, Resolution Of The Melrose Public Utility Commission Approving Smart Grid Technology Services Agreement Between Missouri Basin Municipal Power Agency D/B/A Missouri River Energy Services And The City Of Melrose/Smart Grid Technology Service Agreement
 - d. Minnesota Department of Labor Apprenticeship Program
 - e. Security Camera – Front Desk
 - f. Fire & Ambulance Station HVAC Duct Cleaning
 - g. LED Lighting Upgrade
 - * h. Meeting Schedule Change
8. Old Business
9. New Business
 - a. Coalition of Greater Minnesota Cities (CGMC)
 - b. “C” Water Certification Continuing Education
 - c. GIS
 - * d. Pay Equity Report
 - * e. Verizon Water Tower Antenna Agreement Modification

10. Informational Items
 - a. Schools and Conferences
 - b. Generator #5 Repair

11. Adjournment

* Amendments

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JANUARY 14, 2019 – 4:00 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, January 14, 2019 at 4:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, Jeremy Kraemer, and Joe Finken, Electrical Supervisor Roger Avelsgard, Water/Wastewater Supervisor Tim Vogel, Finance Director Tessa Beuning, City Administrator Michael Brethorst, and City Clerk Patti Haase. The meeting was called to order.

A.I. #2 OATH OF OFFICE

The Council, at its January 3 meeting, reappointed Jeremy Kraemer to the Public Utilities Commission for a three-year term. Joe Finken was appointed to the Utilities Commission as the Council Representative for a one-year term. City Administrator Brethorst to administer the Oaths of Office to Mr. Kraemer and Mr. Finken.

A.I. #3 APPOINTMENT OF OFFICERS

The City Administrator then requested the Commission to appoint a Chair, Vice Chair and Secretary for 2019.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried appointing the Chair, Vice Chair and Secretary as follows:

Chair – Jeremy Kraemer
Vice Chair – Joe Finken
Secretary – Eric Seanger

A.I. #4 APPROVAL OF AGENDA

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to approve the agenda as amended.

A.I. #5 CONSENT AGENDA

The following were considered for approval under the Consent Agenda:

- a. Approval of the minutes from the October 11, 2018 Special Joint Meeting with the Council, the December 10, 2018 Regular Meeting, and the December 20, 2018 Special Meeting.
- b. List of bills in the amount of \$826,339.35. (See attached list)
- c. Investments Report for the month of December. (See attached list)
- d. Pay Application #7/Final from MEI. A review by DGR and staff has been completed and recommend payment in the amount of \$81,024.61. This is the final pay application as the project is complete. Provide consideration to approve Pay Request No. 7 (Final)

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried to approve the Consent Agenda.

A.I. #6 REPORTS

None

A.I. #7 ACTION ITEMS

- a1. The Commission gave consideration to designating the Grievance Representative for 2019. For 2018, Commission Member Jeremy Kraemer was the Commission representative and Council Member Joe Finken served as the Council representative. The Council, at its January 3 meeting, designated Mr. Klasen to again serve as the Council representative.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried reappointing Mr. Kraemer as the Grievance Representative for 2019.

- a2. The Commission next gave consideration to designating an Ad Hoc Labor and Personnel Committee Representative. In 2018, Josh Thieschafer/Tony Klasen served as the Council representative and Eric Seanger served as the Commission representative. The Council, at its January 3 meeting, appointed Mark Hill to the Committee.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried appointing Mr. Seanger as its representative to the Ad Hoc Committee for 2019.

- b. Chair Kraemer noted that since 2001, Melrose Public Utilities has contracted services with DGR for electrical engineering needs. DGR has submitted their 2019 Miscellaneous Services Agreement. The fee for the calendar year 2019 will not exceed \$7,000 without prior approval.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving the 2019 Miscellaneous Service Agreement with DGR Engineering.

- c. In January 2018, the Utility used a server-based solution to host its RNI data sets. This was purchased in 2013. The life of a server is 3-5 years. Staff has been working with Core and Main (i.e. HD Supply) to develop solutions. Based on the review, it was determined a hosted cloud solution was best. The integration to the new RNI is actively underway.

At the same time, due to the installation of the new electric substation, there is a change in the way the Utility has set up its metering package for Jennie-O Turkey Store (JOTS) as well a new information the MRES will be switching to time of use metering within five years. The new metering for JOTS will be at the various transformers versus the substation.

Due to this and pending time of use metering by MRES, we need to install a Meter Data Management (MDM) system. This allows for better data management and communication with the customers. Two quotes were received for this. One was a standalone UtiliSmart program and the other from UtiliSmart as hosted by MRES. Another vendor was explored; however, due to the fact that MRES was hosting all of its 60 members versus Melrose being a standalone client, it was determined to follow the MRES model.

There is a significant savings by partnering with MRES. Based on previous conversations with the Board, the 2019 base fees would not reflect the additional costs for the MDM. This would be placed on the fees starting 2020.

A legal review of the contract was conducted by the City Attorney Scott Dymoke and the MRES legal team. It is strongly recommended that the City and Utility endorse a resolution declaring that the sharing of customer data is for the betterment of its customers. Without this declaration, City Attorney Dymoke believes the City/Utility is at risk of potential litigation. It is unlikely that the City/Utility or any MRES member would be litigated against for sharing of the data to manage customer billing with a 3rd party vendor. Without the contract, the City/Utility would not be able to provide the billing and detailed analysis. It is a proactive effort.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried to adopt Resolution No. UC 2019-1, Resolution Of The Melrose Public Utility Commission Approving Smart Grid Technology Services Agreement Between Missouri Basin Municipal Power Agency D/B/A Missouri River Energy Services And The City Of Melrose.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to enter into the six-year Smart Grid Technology Services Agreement with MRES as presented.

- d. Electrical Supervisor Avelsgard is requesting Commission approval to participate in the Apprenticeship Program with the Minnesota Department of Labor. This is required to allow for an Apprentice program that meets the State of Minnesota standards.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving participation in the Minnesota Department of Labor Apprenticeship Program.

- e. In an effort to maintain the existing security camera and improving security at the front desk, it is proposed to replace the existing camera with new camera that matches that at the Parks and Electric Departments. The City would move the two existing cameras so they can better serve the Police Department. The existing camera would cover the Police Department and be monitored by the Police Department.

The replacement camera would cover the front desk and hallway. Additionally, a security monitor would be purchased to display the video of the City Center and parks system. This would help serve as a possible deterrence of people at the front desk. The cost to do this is quoted at \$4,654.95.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to replace and update the security camera system.

- f. The Melrose Fire and Ambulance Station was built approximately 10 years ago. The HVAC duct work has not been cleaned since it was built. It has been recommended that the ducts be cleaned once every 3-5 years. As the building has never been cleaned, two quotes were received to clean the duct work:

Dust Busters – \$14,789.00 + tax
Finkens – \$5,995.00 + tax

The Fire and Ambulance Departments technically rent the space and, therefore, as it is rented, these costs are not covered by the tenant, it would be covered in general maintenance. It would be treated just as the City Center.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried to award the duct cleaning contract to Finkens.

- g. The Melrose Library has requested to add additional lighting to the library to improve the quality of lights for reading. This would be paid for from its annual \$500 improvement budget. At the same time, it is proposed to replace the existing can lights with modern LED lights. The cost to remove / replace existing can lights is \$500. This would be covered under the maintenance budget.

The Public Works offices is also exploring the updating a replacement of the lights in the office area. Electrical Supervisor Avelsgard is actively seeking quotes to replace the standard lights to LED lights. When looking at the Melrose City Center, it is proposed to replace the existing can lights in the main entryway with LED can lights. There is a total of 19 can lights, of which three are currently burnt out.

It is proposed to seriously explore retrofitting the entire City Center with LED lights in 2020. The Utility is required to meet conservation improvement goals each year. Looking into 2020, it is unlikely Melrose will meet its Capital Improvement Plan goal; therefore, it is proposed to seek quotes for the retrofit and upgrade of all lights in the City Center in 2020.

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried approving the replacement of the 19 can lights in the City Center and upgrade the four existing lights in the Library with LED in FY 19.

The Commission, by consensus, directed staff to develop a conceptual plan for retrofitting the City Center with LED lights and present it as part of the Capital Improvement Plan.

- h. Commission Member Finken is requesting the start time of the meetings be changed to 4:45 p.m.

A motion was made by Mr. Seanger, seconded by Mr. Kraemer and unanimously carried to change the start time of the Public Utilities Commission meetings from 4:00 p.m. to 4:45 p.m.

A.I. #8 OLD BUSINESS

None

A.I. #9 NEW BUSINESS

- a. The City and Utility partner in the membership of the annual dues to Coalition of Greater Minnesota Cities (CGMC). They have special focus on wastewater. Annually, they request a voluntary assessment to help cover the costs to lobby and advocate for wastewater issues. They are suggesting an assessment of \$0.35 per capital for Melrose. This would be \$1,287; however, they would accept any amount.

By consensus, the Commission determined not to contribute to the CGMC Environmental Action Fund.

- b. Electric Supervisor Avelsgard has requested the Commission consider allowing him to use work time to attend the Minnesota Rural Water Association Technical Conference to allow him to maintain his "C" Water Certification. Secondly, he is requesting the Commission consider funding the course which is \$240 and the associated per diems when appropriate. The course will be in St. Cloud and will not require any housing.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried approving Mr. Avelsgard to attend the MRWA Technical Conference on work time and to provide funding.

- c. In an effort to document and modernize the Melrose utilities and general City infrastructure, it is proposed to partner with WSB to implement the use of GIS in our operations. Staff has explored other options to include a standalone GIS program and another hosted solution called MPower. After this review, it is proposed to continue with WSB & Associates. WSB hosts our data at no cost.

It is proposed for the City to purchase the ArcView GIS software and hardware. This will cost approximately \$8,000 for the GIS EOS Arrow 200 GPS receiver and associated hardware. The City already has an iPad. The City would purchase one ArcGIS Desktop of which the Community Developer Lisa Atkinson would have on her computer. The City would have one field collector. The City would work with WSB to set up the new GIS update for a one-time cost of \$2,500. The annual costs would be \$800 annual for the ArcGIS software.

Staff does not anticipate much in the way of ArcGis Pro Training. If needed, this would cost an estimated \$1,000. It is proposed to update the electric data platform into a GIS compatible system using a system called Survey 123 for a cost of \$2,500.

It is proposed to fund this project as follows:

GIS Upgrade							
Coast Share		17%	17%	50%		17%	100%
		Water	Sewer	Electric	General / Storm		Total
GPS Setup		\$ 417.50	\$ 417.50	\$1,250.00	\$ 415.00		\$ 2,500.00
Hardware Software		\$1,336.00	\$1,336.00	\$4,000.00	\$ 1,328.00		\$ 8,000.00
Annual Software		\$ 133.60	\$ 133.60	\$ 400.00	\$ 132.80		\$ 800.00
Electric - Survey 123				\$2,500.00			\$ 2,500.00
ArcGIS Pro Training		\$ 167.00	\$ 167.00	\$ 500.00	\$ 166.00		\$ 1,000.00
		\$2,054.10	\$2,054.10	\$8,650.00	\$ 2,041.80		\$14,800.00

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried authorizing the purchase of equipment and cost share.

- d. The City is required to update its Pay Equity Report every three years. The Report is due by January 31, 2019 which includes 2018 data. Finance Director Beuning has completed the report and reviewed it with City Administrator Brethorst.

Staff to meet with the Ad Hoc Committee and schedule a Special Joint meeting.

- e. Verizon has proposed to modify the existing water tower antenna. They are not adding any additional posts or additional square footage to the tower. They are replacing and adding smaller equipment to the tower. A full engineering review has been completed and the costs have been reimbursed by Verizon. It is recommended to consent to the change.

The Commission, by consent, approved the amendment to the Verizon Water Tower Antenna Agreement.

A.I. #10 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
 1. Payroll Law 2019 – February 21, 2019. Attending: Finance Director Tessa Beuning and Office Assistant I Doris Rieland
- b. Repair of Generator #5 invoice, which is under the \$10,000 threshold. (for information purposes only)

A.I. #11 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Seanger and unanimously carried that the meeting be adjourned at 4:35 p.m.

PATRICIA HAASE – CITY CLERK